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Croatia

Grain and Feed

Corn update

2004

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Report Highlights:

The Croatian Government decided to introduce TRQ with 0% tariff on 150,000MT of corn because cattle breeders complained that high corn prices forced the feed prices to rise too much. The shortage in corn supply caused the Croatian Government first to introduce 30% export tariffs from September 2003 through March 2004 to reduce any outflows. This new 0% TRQ in addition to being of interest to importers, should cause farmers who were holding corn hoping for higher market prices to bring it to market.

There could be a possibility for US corn and soybean sales to Croatia this spring.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[HR]

The Croatian Government decided to introduce TRQ with 0% tariff on 150,000MT of corn due to complaints from Croatian cattle breeders that feed was becoming too expensive because of high corn prices. It is suspected that some traders were holding back their corn waiting corn prices to get even higher. The announcement of the TRQ should signal to these farmers that the prices may even fall so they should market their product to market now while prices are still high.

In January corn price was 1.6 Kn/kg (\$ 0.26 / kg) with tendency to reach 2 Kn/kg (\$ 0.33 / kg). As the Government announced the introduction of the TRQ with a zero tariff, corn prices immediately stabilized.

In 2003 drought affected yield and planted area was 400,000 ha with a total production between 1,600,000 MT and 1,800,000 MT. We predicted that imports might reach up to 100,000 MT. The corn production subsidy was Kuna 1,250 (\$193)/ha. This shortage in supply caused the Croatian Government first to introduce 30% export tariffs from September 2003 through March 2004 and then this new 0% TRQ was implemented to encourage imports, to stabilize prices and to coax corn held in on-farm storage.

Opportunity exists for the export of US corn and soybeans as there is little available in the region to meet Croatia's TRQ.